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INFO RUEHLO/AMEMBASSY LONDON IMMEDIATE 4097
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RUEHLM/AMEMBASSY COLOMBO IMMEDIATE 4696
RUEHKA/AMEMBASSY DHAKA IMMEDIATE 9802
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RUEAIIA/CIA WASHDC IMMEDIATE
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C O N F I D E N T I A L KATHMANDU 001434

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [PREF](#) [NP](#)
SUBJECT: DEPUTY PRIME MINISTER ON MAOISTS; ON BHUTANESE
REFUGEES

Classified By: Ambassador James F. Moriarty, Reasons, 1.4 (b/d).

Concern About The Maoists

11. (C) Deputy Prime Minister and Foreign Minister KP Oli told the Ambassador and Pol/Econ Chief June 5 about his concerns regarding Maoist activities. The Ambassador saluted the Deputy PM for his recent statements in Parliament calling the Maoists to account for their violation of the Code of Conduct. The Ambassador noted that he planned to return to Washington for consultations the week of June 12. There was considerable concern within the USG about the Maoists and their aggressive actions such as setting up parallel governments, continuing extortion, commandeering vehicles, etc. Oli said that dealing with the Maoists was difficult and he had been trying to counsel both colleagues in Parliament and the general public to be realistic about Maoist intentions. He explained that the Maoists were sitting at the talks table while at the same time "recruiting huge numbers, intensifying their training programs, and extorting on a grand scale to build a huge fund." The continuation of those actions called into question Maoist intentions. Oli stressed that the Maoists had changed nothing since the cease-fire except stopping their attacks on army barracks. Others understood this, although some still wanted to turn a blind eye and pretend otherwise. He added that the Maoists, objecting to his recent remarks, had called for his resignation as Deputy Prime Minister; he laughed that the Government of Nepal (GON) did not instruct the Maoists to change their leadership.

Talk with Bhutanese FM Wangchuk on Refugees

12. (C) Oli described the gist of his May 29 conversation with Bhutanese Foreign Minister Wangchuk in Kuala Lumpur on the margins of the NAM Ministerial, saying he had pressed Wangchuk about Bhutanese refugees. Oli had stressed that the GON wanted to be supportive, as the Bhutanese people and the Royal Government of Bhutan sought to resolve the problem. He had said that it was not a problem between Bhutan and Nepal. However, Oli acknowledged, the issue involved questions of ethnic cleansing, democracy, and human rights. As the GON had noted during the recent movement for democracy, these were not merely internal concerns, but global concerns. He

said he had suggested "making a fresh start," as repeating scenarios of the past would result in a never-ending process.

Oli noted that Wangchuk remained focused on the past, despite Oli's encouraging him to look to the future. Oli stated that he did not believe Wangchuk was happy with their meeting. As the next step, Oli said, he would write to Wangchuk.

13. (C) Although Oli reiterated his belief that the real, permanent solution was the repatriation of refugees, he also said that the GON had no objections to other options that were acceptable to the refugees. He also raised the risk that Maoists could create trouble in the camps. The Ambassador again pressed Oli to allow UNHCR to conduct a census in the camps, as well as to allow the resettlement of urgent, vulnerable cases. Oli said the GON was thinking about both; his body language was positive.

Comment

14. (C) Oli emphasized that the GON was trying to do its best to create an atmosphere in the country that is conducive to resolving the Maoist problem. He stressed, however, that at least some in the GON were also very aware of the dangers the Maoists continue to pose.
MORIARTY